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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

OLC 76-0052

7 January 1976

Honorable Thomas E. Morgan, Chairman
Subcommittee on Oversight
Committee on International Relations
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

Knowing that you share my concern over the disclosures which may be harmful to our Nation's foreign intelligence interests, I am writing with reference to a spate of newspaper reports on a briefing provided the Subcommittee on Oversight on 9 December 1975.

The first report to my knowledge was carried in a California paper, the Sacramento Bee, on 26 December. The story, "according to one informant," reports what transpired in my briefing of a "closed door session" of your Subcommittee.

I am confident that the "informant" is not associated with this Agency.

The 9 December briefing of your Subcommittee was provided pursuant to the 1974 amendments to the Foreign Assistance Act of 1961. The legislative history of the enactment is replete with congressional recognition and pledges that stringent security procedures must be followed to protect the sensitive national security information to be imparted.

Leakage of such briefings flies in the face of what appeared to be clear security imperatives agreed to by the Congress. It also raises a doubt about providing sensitive information to congressional committees under assurances that it will be treated responsibly.

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Finally, disclosures such as these not only vitiate the objectives of the programs involved but they also seriously and irreparably damage Agency resources and endanger those who trust in our ability to keep their confidences. As you know, the Congress has in the National Security Act of 1947 imposed upon my office the responsibility for protecting intelligence sources and methods from unauthorized disclosure and precisely for these reasons.

In line with the sentiments expressed herein, I am forwarding a copy of an earlier letter to the Speaker concerning this general matter.

Sincerely,

/s/ Bill

W. E. Colby
Director

cc HON WILLIAM S. BROOMFIELD

Enclosure

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Colby Says No Funds Went to Italy Recently

By Walter Pincus
Washington Post Staff Writer

CIA Director William E. Colby said yesterday that his agency has "not spent a nickel in Italy in the past few months" but refused to discuss "what our plans, what our thoughts might be for the future."

Colby's statement came in response to a question about published stories that said President Ford on Dec. 8 approved the covert channeling of \$6 million to anti-Communist politicians in Italy.

In an hour-long interview on the "Today" show (NBC, WRC) Colby also lashed out at Congress for failing to keep secret covert CIA activities which by a 1974 law he has to disclose to six committees. "Almost everything that's been reported to those six committees has been exposed in the press," Colby charged.

An informed source suggested that the Italian operation, geared to upcoming elections, had not yet been funded because the CIA director's contingency fund, which pays for such activities, was depleted by the paramilitary operation in Angola.

During last month's Senate debate on Angola it was disclosed there was only \$3.2 million in the contingency fund. That was just a week after the Italian operation was authorized for funding and reported to Congress on Dec. 8 and 9.

The covert Italian program was described as supplying candidates with funds for the purchase of advertising and posters prior to an election. Since the elections are some months away, sources said, the money did not have to be transferred in December, and could await passage of new CIA contingency funds when Congress returns later this month.

Colby's criticism of Congress echoed a theme set by the White House Wednesday when President Ford was described as "angry" at the appearance of news stories describing the covert aid for Italian political parties.

Colby went further by indirectly singling out Rep. Wayne Hays (D-Ohio) and Rep. Leo J. Ryan (D-Calif.), two members of the House International Relations Committee, who were quoted in news stories as criticizing the Italian operation.

Colby noted two congressmen "confirmed by telephone that I had given them a briefing on some secret activity. Now this is no way to protect secrets."

The CIA director then suggested that one covert operation had been undertaken at "the urging of one of the committees of the Congress . . . but he did not identify it."

When Colby briefed the Hill committees on Italy, he also disclosed a renewed transfer of covert funds to anti-Communist parties in Portugal.

Colby said members of Congress told about covert operations "are asked . . . to assume responsibilities for knowing things that they cannot pass on. Otherwise, we cannot run an intelligence service."

Several senators and representatives have been critical of the covert operation reporting system because it provides no means for them to object to a project before it is approved by the President. The only thing that can be done, some believe, is leak the information to the press.

Ryan, an author of the 1974 provision requiring that covert operations be reported to Congress, told the Associated Press yesterday, "I don't question the President's right to make that decision. But there ought to be some way for us to tell him about it if we don't like it."

Colby repeated his criticism of individuals who make a "deliberate effort to identify CIA agents abroad" and added that the Justice Department had agreed upon a draft bill that would by law "require an ex-employee (of the CIA) to keep the secrecy agreement he made when he came to work with us."

At present, according to Colby, the CIA "would be on weak (legal) grounds" if it tried to do anything about someone like former CIA agent Philip Agee who lists in his book hundreds of American and foreign CIA operatives.